

TENNESSEE HOUSING DEVELOPMENT AGENCY
SUPPLEMENTARY INFORMATION
SUPPLEMENTARY STATEMENT OF CASH FLOWS
(Expressed in Thousands)

	For the Six Months Ended December 31, 2003 (Unaudited)					For the Year Ended June 30, 2003				
	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Single Family Mortgage Notes	Totals	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Single Family Mortgage Notes	Totals
Cash flows from operating activities:										
Receipts from customers	\$ 11	\$ 37,020	\$ 166,405	\$ -	\$ 203,436	\$ 1,392	\$ 79,034	\$ 290,778	\$ -	\$ 371,204
Receipts from federal government	940	-	-	-	940	8,590	-	-	-	8,590
Receipts from other funds	25	-	6,675	-	6,700	-	1,013	-	-	1,013
Other miscellaneous receipts	652	902	-	-	1,554	1,363	816	9	-	2,188
Acquisition of mortgage loans	-	(36,915)	(123,923)	-	(160,838)	-	(2,028)	(156,882)	-	(158,910)
Payments to service mortgages	-	(419)	(2,115)	-	(2,534)	-	(958)	(4,489)	-	(5,447)
Payments to suppliers	(1,968)	(64)	(260)	(11)	(2,303)	(2,378)	(546)	(1,957)	(2)	(4,883)
Payments to federal government	-	-	(95)	-	(95)	-	-	(1,129)	(67)	(1,196)
Payments to other funds	-	(6,700)	-	-	(6,700)	-	-	(988)	(25)	(1,013)
Payments to employees	(4,749)	-	-	-	(4,749)	(8,341)	-	-	-	(8,341)
Net cash provided (used) by operating activities	(5,089)	(6,176)	46,687	(11)	35,411	626	77,331	125,342	(94)	203,205
Cash flows from non-capital financing activities:										
Operating grants received	72,618	-	-	-	72,618	138,195	-	-	-	138,195
Payment to Primary government	-	-	-	-	-	(35,368)	-	-	-	(35,368)
Operating transfers in (out)	129	13,331	(13,564)	104	-	(1,234)	807	340	87	-
Negative cash balance implicitly financed (repaid)	3	554	523	-	1,080	-	415	(2,126)	-	(1,711)
Proceeds from sale of bonds	-	191,920	137,232	-	329,152	-	-	134,150	-	134,150
Proceeds from issuance of notes	-	-	-	279,820	279,820	-	-	-	76,730	76,730
Operating grants paid	(72,117)	(726)	(2,032)	-	(74,875)	(143,536)	-	(2,210)	-	(145,746)
Call premium paid	-	(3,053)	-	-	(3,053)	-	-	-	-	-
Advance on bond sale	-	-	-	-	-	-	-	600	-	600
Cost of issuance paid	-	(1,293)	(1,115)	(93)	(2,501)	-	-	(1,125)	(66)	(1,191)
Principal payments	-	(272,190)	(289,349)	(64,625)	(626,164)	-	(48,110)	(142,611)	(93,645)	(284,366)
Interest paid	-	(13,640)	(38,439)	(928)	(53,007)	-	(24,177)	(73,316)	(557)	(98,050)
Net cash used by non-capital financing activities	633	(85,097)	(206,744)	214,278	(76,930)	(41,943)	(71,065)	(86,298)	(17,451)	(216,757)
Cash flows from investing activities:										
Proceeds from sales and maturities of investments	-	117,198	171,523	-	288,721	35,073	382,137	450,989	-	868,199
Purchases of investments	-	(85,462)	(134,048)	-	(219,510)	-	(356,572)	(428,044)	-	(784,616)
Investment interest received	-	4,463	8,606	1,013	14,082	751	10,231	19,928	561	31,471
Net cash provided (used) by investing activities	-	36,199	46,081	1,013	83,293	35,824	35,796	42,873	561	115,054
Net increase (decrease) in cash and cash equivalents	(4,456)	(55,074)	(113,976)	215,280	41,774	(5,493)	42,062	81,917	(16,984)	101,502
Cash and cash equivalents, July 1	5,185	104,003	206,099	51,096	366,383	10,678	61,941	124,182	68,080	264,881
Cash and cash equivalents, End of period	\$ 729	\$ 48,929	\$ 92,123	\$ 266,376	\$ 408,157	\$ 5,185	\$ 104,003	\$ 206,099	\$ 51,096	\$ 366,383

TENNESSEE HOUSING DEVELOPMENT AGENCY
SUPPLEMENTARY INFORMATION
SUPPLEMENTARY STATEMENT OF CASH FLOWS (cont.)
(Expressed in Thousands)

	For the Six Months Ended December 31, 2003 (Unaudited)					For the Year Ended June 30, 2003				
	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Single Family Mortgage Notes	Totals	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Single Family Mortgage Notes	Totals
Reconciliation of operating income to net cash provided (used) by operating activities:										
Operating income (loss)	\$ (527)	\$ 994	\$ (834)	\$ (48)	\$ (415)	\$ (1,068)	\$ 11,492	\$ 33,133	\$ (1,186)	\$ 42,371
Adjustments to reconcile operating income to net cash provided (used) by operating activities:										
Depreciation and amortization	-	60	224	13	297	5	149	512	106	772
Changes in assets and liabilities:										
(Increase) decrease in accounts receivable	-	(290)	511	-	221	21	611	(4,324)	-	(3,692)
(Increase) decrease in mortgage interest receivable	-	68	(306)	-	(238)	14	428	(526)	-	(84)
(Increase) decrease in first mortgage loans receivable	-	(7,864)	3,603	-	(4,261)	1,296	54,963	54,696	-	110,955
(Increase) in due from federal government	(3,753)	-	-	-	(3,753)	(279)	-	-	-	(279)
Decrease in deferred charges	-	49	476	-	525	-	34	283	-	317
(Increase) decrease in other receivables	-	-	3	-	3	-	-	(1)	-	(1)
(Increase) decrease in interfund receivables	-	(6,700)	-	-	(6,700)	-	1,013	-	-	1,013
Increase (decrease) in interfund payables	25	-	6,675	-	6,700	-	-	(988)	(25)	(1,013)
Increase (decrease) in accounts payable	(487)	(573)	(65)	-	(1,125)	426	605	101	-	1,132
Increase (decrease) in accrued payroll / compensated absences	(347)	-	-	-	(347)	128	-	-	-	128
(Decrease) in due to primary government	-	-	-	-	-	(53)	-	-	-	(53)
Increase (decrease) in deferred revenue	-	(43)	-	-	(43)	-	21	(350)	-	(329)
Increase (decrease) in arbitrage rebate liability	-	-	(95)	-	(95)	-	(39)	(1,619)	-	(1,658)
Investment income included as operating revenue	-	(85)	2,113	(1,013)	1,015	136	(14,697)	(33,416)	(561)	(48,538)
Interest expense included as operating expense	-	8,208	34,382	1,037	43,627	-	22,751	77,841	1,572	102,164
Total adjustments	(4,562)	(7,170)	47,521	37	35,826	1,694	65,839	92,209	1,092	160,834
Net cash provided (used) by operating activities	\$ (5,089)	\$ (6,176)	\$ 46,687	\$ (11)	\$ 35,411	\$ 626	\$ 77,331	\$ 125,342	\$ (94)	\$ 203,205
Noncash investing, capital, and financing activities:										
Accretion of deep discount bonds	\$ -	\$ -	\$ 1,090	\$ -	\$ 1,090	\$ -	\$ -	\$ 4,095	\$ -	\$ 4,095
Increase (decrease) in fair value of investments	-	(2,173)	(9,570)	101	(11,642)	-	4,531	14,198	26	18,755
Total noncash investing, capital, and financing activities	\$ -	\$ (2,173)	\$ (8,480)	\$ 101	\$ (10,552)	\$ -	\$ 4,531	\$ 18,293	\$ 26	\$ 22,850